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E.O. 12958: N/A

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Prime Minister's schedule, October 16

NIKKEI (Page 2) (Full)  
October 17, 2007

07:23  
Met at Kantei with Deputy Chief Cabinet Secretary Iwaki.

08:20  
Attended cabinet meeting in the Diet building.

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09:00  
Attended Upper House Budget Committee session.

12:00  
Met at Kantei with Deputy Chief Cabinet Secretary Futahashi.

13:00  
Attended Upper House Budget Committee session.

16:59  
Met in his office with former LDP Secretary General Nakagawa.

17:20  
Met at Kantei with Chief Cabinet Secretary Machimura, followed by  
Economic and Fiscal Policy Minister Ota.

18:10  
Met with Namibian President Pohamba. Attended afterwards signing  
ceremony to exchange official notes on grant aid for culture.

19:11  
Hosted dinner party welcoming the Namibian president and his wife.

21:17  
Return to his private residence in Nozawa.

4) US envoy to release statement denying MSDF fuel diversion

NIKKEI (Page 1) (Full)  
October 17, 2007

Chief Cabinet Secretary Nobutaka Machimura and US Ambassador to Japan Schieffer met yesterday at the prime minister's office. In the meeting, Schieffer noted that the Maritime Self-Defense Force's current refueling mission in the Indian Ocean was "very important" not only for the United States but also for the international community. The ambassador expressed the hope that Japan would continue the MSDF's refueling activities. After the meeting, Schieffer answered questions from reporters and strongly denied the US military's suspected diversion of MSDF-supplied fuel for the Iraq war. He also revealed that the US government would shortly release a statement regarding this issue.

Reporters asked if the US warships refueled by the MSDF participated in the Iraq war. "No, they didn't," Schieffer definitely said. "We've checked the records," he added. The ambassador also said, "Those refueled warships were used for Operation Enduring Freedom (in the Indian Ocean)." In addition, Schieffer also said he would shortly brief Japanese lawmakers on this matter.

In his meeting with Machimura, Schieffer told him that President Bush was looking forward to Prime Minister Yasuo Fukuda's visit to the United States. Machimura said the alliance between Japan and the

United States would consistently remain the basis of Japan's foreign relations for the Fukuda government as well. "We want to make our bilateral alliance even more rocksolid," Machimura said.

5) Term of validity to be set at one year for new antiterrorism law in deference to New Komeito; Government to present bill to Diet today

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MAINICHI (Top play) (Abridged slightly)  
October 17, 2007

The government yesterday unveiled the full text of a new antiterrorism legislation bill to continue the Maritime Self-Defense Force's refueling mission in the Indian Ocean. The new legislation limits the MSDF's activities to providing supplies, such as fuel oil and water. The government has also decided to set a one-year time limit for the new legislation, changing its earlier plan for two years, in deference to the New Komeito's call for ensuring civilian control. The government plans to convene Security Council of Japan and special cabinet meetings this evening to adopt the bill to present it to the Diet.

The new antiterrorism legislation is intended to replace the Antiterrorism Special Measures Law, slated to expire on Nov. 1. The legislation is composed of 10 articles, including additional clauses.

Under the article on purposes, the legislation says that the MSDF's contribution to the maritime interdiction operations is highly praised in UN Security Council Resolution 1776. Supply assistance is defined as contributing to the peace and security of the international community, including Japan.

The areas of activities are also defined as the Indian Ocean, including the Persian Gulf, and the skies above it and the territories of Indian Ocean coastal countries.

Under the law now in force, the areas of activities are specified in the basic plan. They are all included in the new legislation in outline. For this reason, the government has decided to make important matters that are not included in the law, such as the scale of the unit and equipment, subject to a cabinet decision, changing the basic plan into the "implementation plan." At the same time, the government has decided to eliminate the provision requiring Diet approval, on the grounds that the adoption of the legislation is tantamount to Diet approval.

The government's draft plan was designed to set a two-year time limit on the new legislation and to require annual Diet reporting at the same time. But the New Komeito's strong objection to the two-year plan for the sake of civilian control has forced the government and the Liberal Democratic Party to revise the draft plan.

Now that the term of validity is set at one year, reporting to the Diet is required only when the implementation plan is adopted or there are changes to it and when supply assistance is over. The new legislation can be extended for up to one year.

Given heated Diet debates on the alleged diversion of Japanese oil for use in the Iraq war, some in the government had argued that the new legislation clearly mention the exclusion of oilers from the list of vessels receiving Japanese oil. But the government has opted not to do so out of consideration for the operations of foreign forces.

6) Lower House member Eda points out record on MSDF refueling naval vessel engaged in Iraq war in 2006

ASAHI (Page 4) (Full)

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October 17, 2007

House of Representatives member Kenji Eda (independent) has pursued the allegation of diversion of fuel supplied by the Maritime Self-Defense Force (MSDF) based on the Antiterrorism Special Measures Law to the Iraq war. On this problem, Eda held a press conference in the Diet building yesterday and disclosed that the United States Navy mentions on its Web site that the MSDF's supply vessel Mashu refueled the US Navy's amphibious assault ship Iwojima in September 2006. The Web site also records that the US assault ship participated in the Iraq war in the Persian Gulf just after refueled by the MSDF. Pointing out that there is a suspicion of fuel diversion, Eda presented the government with questionnaire.

The US Navy's Web site notes that the Iwojima was refueled by the Mashu on Sept. 4. In another page of the US Navy, there is this mention: "(The Iwojima) engaged in maritime safety activities and the Operation Iraqi Freedom." In the Diet, the Democratic Party of Japan is grilling the government over the charges that the MSDF supplied fuel directly or indirectly to USS Kitty Hawk and the US Aegis destroyer Paul Hamilton in 2003.

Japanese Communist Party's House of Councillors member Akira Koike also said in an Upper House Budget Committee meeting yesterday that the Mashu refueled the Iwojima on Sept. 4 and 22 in 2006." Defense Minister Ishiba admitted this fact but denied the diversion allegations.

7) MSDF discards supply ship's log book

MAINICHI (Page 2) (Full)  
October 17, 2007

In a meeting yesterday of the main opposition Democratic Party of Japan's (DPJ or Minshuto) Foreign and Defense Affairs Division, the Defense Ministry revealed that it had disposed of part of the logbook of the Maritime Self-Defense Force (MSDF) supply ship Towada, even though the storage limitation of the log book did not expire. Since the ministry has been making mistakes, such as the amount of oil supplied to a US supply vessel, the DPJ intends to strengthen its offensive in questioning such issues as the alleged diversion of fuel provided by the MSDF for use in the Iraq war.

According to the ministry's explanations, the log book discarded covered the period of July to September 2003. Under the ministry's rule, the storage period is four years. The ministry mistakenly disposed of the logbook when it was sorting out logbooks this July. The ministry has taken a position that the disposal is not a violation of the law, and it will wait for the results of investigation.

8) Discarding of log of MSDF supply ship providing fuel creates new sparks in Diet; DPJ to sharpen its attack

NIKKEI (Page 2) (Excerpt)  
October 17, 2007

In connection with the refueling operations of the Maritime Self-Defense Forces (MSDF) in the Indian Ocean, the issue of the Defense Ministry having discarded the refueling ship's log has created new sparks in the Diet. Although the government would like to obtain the understanding of the public by disclosing as much

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information as possible, the undeniable impression being given is that whenever it is inconvenient, the results are concealed. While there has been a rising trend of public approval for continuing the refueling services in opinion polls, there is deepening concern now in the ruling camp that the Democratic Party of Japan (DPJ) will attack the "enemy's mistake," and this could make public opinion suspect there was oil diversion.

9) Prime Minister Fukuda irritated by questions from the opposition; "Whatever I say, you won't approve, anyway," he says

MAINICHI (Page 5) (Full)

October 17, 2007

When answering a question by an opposition lawmaker about the Maritime Self-Defense Force's refueling mission in the Indian Ocean at a House of Councillors Budget Committee session yesterday, Prime Minister Yasuo Fukuda said: "Whatever I say, you won't approve anyway." He seemed irritated. The prime minister has kept a low posture in responding to questions from the opposition parties in the current Diet session. In yesterday's session, he was unable to suppress his anger at the relentless pursuit by the opposition.

The questioner was Japanese Communist Party Policy Chief Akira Koike. Pointing out that the USS Iwo Jima, which received oil from the MSDF in September last year, was engaged in air campaign in Afghanistan and the Iraq operation, Koike questioned Fukuda: "As the country that has Article 9 in the Constitution, is it possible to support (an air strike)?"

Fukuda responded: "Why don't you make an effort to understand? I think there is a difference in our views. Whatever is discussed on this matter, the (JCP) won't approve (the refueling operation) anyway." He continued: "Japan does not provide support for the US force's air strikes on Afghanistan."

Fukuda told reporters last evening with a forced smile: "I think both the foreign and defense ministers probably each gave three answers. If they say that we are not taking a low posture stance, that doesn't make any sense, does it?"

10) Diet Affairs Committee Chairman Oshima admonishes Nakatani for statement equating DPJ to terrorists

YOMIURI (Page 4) (Full)  
October 17, 2007

Former Defense Agency Director General Gen Nakatani, in discussing the Maritime Self-Defense Force's (MSDF) refueling operation in the Indian Ocean, made a remark that can be taken as calling the Democratic Party of Japan (DPJ) terrorists. In connection with this controversial statement, Liberal Democratic Party's Diet Affairs Committee Chairman Tadamori Oshima met Nakatani in the Diet building yesterday and scolded him.

Oshima told Nakatani: "We must assume a posture showing eagerness to obtain understanding from the DPJ (to continue the MSDF mission)." In response, Nakatani apologized to him, remarking: "I am sorry for causing trouble. I wasn't calling the DPJ a terrorist group."

11) LDP indicates possibility of summoning Ozawa as witness if DPJ submits own antiterrorism bill

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YOMIURI (Page 4) (Full)  
October 17, 2007

Liberal Democratic Party's Diet Affairs Committee Chairman Tadamori Oshima indicated yesterday that if the Democratic Party of Japan (DPJ) submits its own antiterrorism bill to the Diet, the LDP might summon its head Ozawa as an unsworn witness to the House of Representatives Antiterrorism Special Committee.

12) DPJ starts discussion to work out own bill to counter new antiterrorism legislation

YOMIURI (Page 4) (Full)  
October 17, 2007

The Democratic Party of Japan (DPJ) started discussion at an executive meeting yesterday to work on its own bill to counter the new antiterrorism special measures bill which the government will adopt in a cabinet meeting today.

In the meeting, President Ozawa said: "Japan should not join the main duty of the International Security Assistance Force (ISAF) in Afghanistan. I will not dispatch the Self-Defense Force (SDF) as a

combat force. I would like to have the SDF participate in provisional reconstruction teams (PRT) composed of military personnel and civilians. The SDF should engage in stabilizing and promoting public welfare, such as training police officers and administrative officials. I would like to submit a counterproposal containing these measures." But some participants raised objections to submitting a counter bill to the Diet, with one pointing out: "Will the preparations for our replies in the House of Councillors be completed if we submit a counter bill now?" Reflecting such views, the meeting decided to have Ozawa and other executives make a judgment, while watching the situation in the Diet.

As ISAF-related activities, the main opposition party has decided to incorporate in its own bill aid measures for public welfare, including education and medical services, as well as for reconstruction. The party will start a discussion on specifics at a meeting of the foreign and defense committees tomorrow.

Speaking before reporters yesterday, Liberal Democratic Party Diet Affairs Committee Chairman Tadamori Oshima welcomed such moves by the DPJ, saying: "I think the DPJ is also making efforts out of recognition that fighting terrorism is necessary. It may be possible for both sides to discuss and come up with a definite plan based on a common perception."

Speaking to reporters at the Prime Minister's Office last evening, Prime Minister Fukuda also indicated his expectation, saying: "I am closely watching what the opposition camp will do."

LDP Secretary General Ibuki, however, raised questions in a press conference about the DPJ's stance, saying: "Secretary General Hatoyama and other members (once) supported the action plan (Diet approval for SDF dispatch under the Antiterrorism Special Measures Law) based on a law that President Ozawa says violates the Constitution. I wonder what logic the party intends to use to compile its own counterproposal."

A senior New Komeito member also quipped: "The DPJ should have had a

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good knowledge of the outline of the government's new antiterrorism legislation. The party should have submitted its own bill earlier." Some members in the ruling camp suspect that the main opposition party might be trying to delay the start of deliberations on the new legislation by submitting its bill.

13) DPJ President Ozawa: SDF could participate in ISAF civilian assistance

MAINICHI (Page 2) (Full)  
October 17, 2007

Democratic Party of Japan (DPJ) President Ichiro Ozawa indicated his view in a party executive meeting yesterday that Self-Defense Forces (SDF) members, except for combat troops, could take part in the International Security Assistance Force (ISAF) in Afghanistan to provide civilian assistance. He envisages having SDF medical officers and a water supply unit participate in ISAF. Until now, he had not clarified his position on SDF participation.

14) Japan, US shelve conditional agreement on Yokota base dual use

ASAHI (Page 1) (Full)  
October 17, 2007

In connection with the realignment of US forces in Japan, the Japanese and US governments were expected to agree this month on preconditions for the planned joint military-civilian use of the US Air Force's Yokota Base in Tokyo. However, the two governments are highly likely to forgo their concurrence, sources revealed yesterday. That is because the United States is opposed to commercial airline access to Yokota Base, according to Japanese government officials. The Japanese government has envisioned the dual use of the Yokota base as a 'showcase' of US military realignment. However, the dual use plan hit snags from its outset. The US government remains firm, the officials said. The dual use

plan may even be shelved.

It is now difficult to expect Japan and the United States to reach an agreement within the month, government officials revealed.

In May 2006, Japan and the United States held a meeting of their intergovernmental security consultative committee and agreed on a roadmap for the realignment of US forces in Japan. The roadmap specifies a timetable regarding the proposed access of commercial airliners to the Yokota Base, noting that the Japanese and US governments will wind up their studies within 12 months.

In October last year, the Japanese and US governments set up a study group on the issue of Yokota Base dual use. The two governments have held consultations since then, involving working-level officials from the Foreign Ministry, the Defense Ministry, and the Land, Infrastructure and Transport Ministry on the Japanese side. The Japanese government had been aiming to conclude the bilateral study within this month, as specified in the roadmap, on what is needed for Yokota Base's dual use as well as how to manage the base in its dual use.

According to government officials, commercial airline flights are now becoming nearly saturated in the metropolitan area. Citing this, the Japanese government proposed translating Yokota's dual use into action at an early date. However, the United States noted that

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civilian aircraft access to the Yokota Base would cause problems not only from the perspective of capacity as a strategic hub but also from the perspective of security. The US government also asserted that commercial airlines can manage to fly without using Yokota AB for the time being.

Japan and the United States finalized their agreement last year on US military realignment. After that, however, the United States stiffened its attitude. "There's no Koizumi-Bush relationship," a government official said. The official added: "Tokyo Governor Shintaro Ishihara has indicated that he would call for Yokota's reversion in the end, beginning with shared use. The US side is strongly concerned about this. That's why."

Ishihara was elected Tokyo governor in 1999 for the first time. In his campaign at that time, Ishihara pledged dual use of Yokota Base. In the gubernatorial race for a third term as well, Ishihara gave top priority to the issue.

15) US military's night landing practice opened to spectators for 1st time in 10 years

ASAHI (Page 31) (Full)  
October 17, 2007

US Forces Japan yesterday opened its naval carrier-borne fighter jets' night landing practice (NLP) to the Japanese media for the first time in about 10 years. The NLP is currently conducted on the island of Iwoto (formerly called Iwojima) in the southern outlying island village of Ogasawara, Tokyo. FA-18 Super Hornet fighter attackers repeatedly carried out touch-and-go training at the island's airstrip as a flattop deck.

The touch-and-go training began at 11:30 a.m., and it was conducted through the night with the participation of 16 Kitty Hawk-based fighter jets from the US Navy's Atsugi base in Kanagawa Prefecture. NLP has been mostly conducted on Iwoto since 1993 partly for the purpose of abating noise in the vicinity of the Atsugi base. Meanwhile, Japan and the United States reached an intergovernmental agreement in their talks over the realignment of US forces in Japan to move Atsugi-based carrier-borne fighters to the US Marine Corps' Iwakuni base in Yamaguchi Prefecture. In addition, the Japanese and US governments have also agreed to select a permanent facility in [2009](#).

16) Government to cut "sympathy budget": Talks with US could run into difficulty



Concerning talks with the US to sign a new special agreement for US forces host-nation-support outlays (the so-called sympathy budget), the Japanese government yesterday decided to request a substantial cut in outlays for utility and water expenses. However, the US side has already requested a significant increase in outlays for such expenses, citing the need to counter threats from China and the DPRK. Talks between the two countries in the run-up to budget compilation are expected to be hard-going. Prime Minister Yasuo Fukuda and US President George Bush will meet in mid-November. This issue as well as continuation of the Maritime Self-Defense Force's refueling operations in the Indian Ocean will likely top the agenda

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of the summit.

According to a source familiar with Japan-US relations, Japan disbursed 217.3 billion yen as host-nation-support outlays in fiscal 2007. In this connection, the government has indicated its intention to discuss with the US the need for 140.9 billion yen stipulated in the special agreement covering salaries for US base employees (115 billion yen) and utility and water expenses (25.3 billion yen) from scratch for further rationalization.

The present special agreement came into effect last April with its term shortened from five years to two years from the perspective of allowing a drastic review at an early date. It will expire at the end of next March.

The Japanese government wants to obtain Diet approval for the new agreement proposal during next year's regular session in order to extend the agreement by 1-5 years. Since it is necessary to incorporate necessary expenses into the fiscal 2008 budget, it wants to reach an agreement with the US by the end of November.

The underlying trend regarding Japan's host nation support outlays is that it is necessary to constrain such, based on a report issued by the Council on Economic and Fiscal Policy seeking rationalization on the grounds of the nation's harsh fiscal situation. In addition, in view of the fact that Japan's host nation support outlays -- approximately 75 PERCENT -- are higher than the ratios of other countries, a view calling for reduction the outlays is deep-rooted in the Finance and Defense Ministries, as one senior Defense Ministry official said, "The idea of treating US bases as a sacred cow will not obtain understanding from the people and opposition parties."

The Council on the Fiscal System, an advisory organ reporting to the finance minister, in June this year pointed out, "Amid local governments and independent administration corporations making efforts to promote rationalization and boost efficiency, including cuts in personnel expenses, it would be necessary to properly review personnel expenses for US base workers." The panel also noted that the detailed use of utility and water expenses has not been disclosed.

However, the US side has already requested a substantial increase in utility and water expenses, citing an increase in military expenses stemming from the situation in Northeast Asia, such as China and the DPRK. A Defense Ministry source said, "The issue could shake the Japan-US alliance, intertwined with the issue of extending the dispatch of Maritime Self-Defense Force personnel."

17) Iwakuni mayor softens opposition to transfer of carrier-borne jets

Katsusuke Ihara, mayor of Iwakuni City, Yamaguchi Prefecture, who has been opposing the transfer of carrier-borne jets to US forces' Iwakuni Base, yesterday visited the Defense Ministry. He conveyed his intention to respond to talks on the issue to Parliamentary Secretary Minoru Terada, saying, "Opposition is not a premise for

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talks." He appears to have softened his stance, since the government suspended subsidies for the construction of a city government

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office.

18) Materials that can bring progress to Japan-DPRK normalization talks lacking; Representatives of both countries hold informal talks

ASAHI (Page 4) (Full)  
October 17, 2007

The Fukuda administration's DPRK diplomacy aimed at settling the abduction issue has gotten underway with informal talks by working-level officials responsible for bilateral normalization talks held in Shenyang, China. Talks are expected to be held more frequently under Prime Minister Fukuda's policy of attaching importance to dialogue. With a view to improving relations with the US and South Korea, the DPRK is determined to wait and see what move Japan will make.

The informal talks brought together Shigeo Yamada, director of the Northeast Asian Affairs Division of the Foreign Ministry and Song Il Ho, DPRK's ambassador in charge of normalization talks with Japan. A senior Foreign Ministry official said, "The meeting was held to make adjustment and preparations for the next round of meetings of the bilateral working group. However, no schedule was set." This official hinted at the possibility of holding more informal talks before the next working group meeting is held.

Fukuda has taken a stance of attaching importance to dialogue, saying at an Upper House Budget Committee meeting yesterday, "This is a problem that cannot be settled unless there are talks." However, there are few materials that can bring progress in carrying out such talks. Japan does not intend to take part in providing heavy oil to the DPRK for the time being due to the abduction issue.

"For the DPRK, which is enjoying favorable developments in its relations with the US and South Korea, there is no reason for the time being why it must come face-to-face with Japan," a senior Foreign Ministry official said. As General Secretary Kim Jong Il said during the recent South-North Korean summit, "I want to determine first what moves the Fukuda administration will make," there is the possibility of a situation in which both Japan and the DPRK will closely watch how the other party will move.

19) Russian foreign minister to visit Japan on Oct. 23

NIKKEI (Page 2) (Full)  
October 17, 2007

The Foreign Ministry yesterday announced that Russian Foreign Minister Lavrov's visit to Japan is set for Oct. 23-24. He will meet with Foreign Minister Masahiko Komura and confer on such issues as the Northern Territories and economic cooperation in Eastern Siberia.

SCHIEFFER